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**SUMMARY OF THE PRESIDENT'S REMARKS
TO THE NATIONAL SECURITY COUNCIL -- JANUARY 18, 1962**

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The President began his general discussion of policy problems by expressing his gratitude to all for their work during 1961. He expressed the hope that all concerned would move ahead in the same spirit of increasing cooperation during 1962.

The President referred to the Council's responsibility for integrating the work of the Departments of State and Defense and the Central Intelligence Agency, with the participation of the Treasury Department and other agencies when matters of interest to them were being considered. He asked the members to cooperate in making the Council meetings useful, and ensuring that decisions arising out of the Council meetings were effectively carried out.

The President remarked that he had stated the objective of the United States in his State of the Union Message as being the encouragement of a world of free and independent countries. The independence of countries sometimes created problems like those of Yugoslavia and Ghana. Our relations to such countries could never be like those of the Soviet Union to its satellites. We would simply have to live with these difficulties.

Moreover, we have an enormous task, in that our responsibilities are world-wide and of great complexity. The British and the French, formerly world powers, are concentrating more and more on problems of Europe, especially as the Common Market develops. This throws increasing weight on us, and it is no wonder that we do not always succeed. When you think only of our problems in Laos, Ghana, the Congo and Latin America, you can recognize the magnitude of the limitations upon what a country with only 6% of the world's population can accomplish.

These problems have a high degree of interrelation, in that the political and military factors tie closely together. Thus, for example, the coming fight on U.S. trade policy involves military interests very directly. If we cannot keep up our export surplus, we shall not have the dollar exchange with which to meet our overseas military commitments. We are spending \$3 billion a year abroad to maintain our international security position. We must either do a good job of selling abroad or pull back. Our balance of

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payments position has put a strain on our gold reserves, and while we are not at a point of danger, we are at a point of concern. If confidence in the dollar is not maintained, those holding dollar and gold obligations against us could easily create grave difficulties for us. Any bank in which confidence is weakened faces great dangers. The over-all importance of the balance of payments position to our military security can be understood still more clearly by noting the British experience. The British pull-back of forces from numerous bases throughout the world in the years since World War II has been very largely a response to balance of payments difficulties. We see further pressure of this sort causing British planners to undertake further military reductions overseas.

Turning to basic military policy the President remarked that we relied on our nuclear deterrent. There are a number of places where our strength on the ground does not match what the Communists can bring to bear.

Because Soviet nuclear strength is developing, great emphasis must be placed on other kinds of reinforcement of our military position.

In commenting on the nature of the Soviet threat, the President called attention to the January 6, 1961, speech by Khrushchev, which he described as possibly one of the most important speeches of the decade. Khrushchev had made clear the pattern of military and paramilitary infiltration and subversion which could be expected under the guise of "wars of liberation." The President believed that in response we must strengthen our conventional forces and our capability for military leadership in dealing with that kind of war. This was a matter which required imaginative and outstanding new efforts by all forces.

The President specifically praised the discussion of this problem in the January 1962 issue of the Marine Corps Gazette. He felt that all forces -- Army, Marine, Air and Navy -- must learn how to fight on the edges of the world. The record of the Romans made clear that their success was dependent on their will and ability to fight successfully at the edges of their empire. It was not so clear that we were yet in a position to do the same.

Moreover, there were special unsolved problems. When the Chinese get missiles and bombs and nuclear weapons, for example, what effect will that have on our dispositions in Southeast Asia?

Turning to aid policy, the President emphasized that we wanted to be sure to have military aid programs and military aid officers who would be alert to the real problems faced in the countries to which they were assigned. The basic danger was usually that of seizure from inside by Communist forces supported by military or paramilitary efforts within and without. The President believed that U. S. military personnel should establish the closest possible relations with military men in the countries to which they are assigned so that there could be mutual trust and, above all, understanding of the real dangers with which the military forces in that country must be prepared to cope -- the dangers of subversion and Communist insurgency within the country. The President believed in particular that more emphasis was needed on military assistance to Latin America. He cited the example of President Betancourt of Venezuela who needs such assistance to safeguard his position with the military which may hold the balance of power in that country.

The President emphasized that chiefs of U. S. military missions and U. S. Military Attaches occupy extraordinarily important positions. Such U. S. officers should not act as lobbyists against Washington by always seeking increasing amounts of military assistance. The task of U. S. military officers is to influence their opposite numbers. For example, in Iran we would not wish our military men encouraging the Shah of Iran in resisting a decision to reduce their armed forces to 150,000 men. We do not want our military men making the Iranians any more unhappy than they already are.

In concluding this section of his remarks, the President emphasized again the importance of cooperation among all departments and agencies concerned with national security. He thought such cooperation had been very good and he was grateful for it. He cited as an example the interdepartmental efforts to improve the situation in the Dominican Republic. "We are partners," he said, "by necessity and choice."

In a brief response, the Secretary of State expressed the gratitude of all present for the chance to serve under the President in working on these great issues. The Secretary noted the surging thrust of nationalism throughout the world and expressed his belief that it was proving a tough and resistant force against Communist imperialism. He noted in particular the

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President's policy of understanding and support for free and independent nations in all continents, and he said that all would wish to commit themselves afresh to the service of the Administration in these purposes.

The President then spoke about the following specific items:


West Irian. The area is a most unsuitable one for a war in which the United States would be involved. We would not wish to humiliate the Dutch, but on the other hand it would be foolish to have a contest when the Dutch really do want to get out if a dignified method can be found. We should recognize that this territory was likely eventually to go to Indonesia, even though we ourselves might deeply dislike Sukarno as an individual. The real stake here was not West Irian but the fate of Indonesia, the most rich and populous country in the area and one which was the target of energetically pursued Soviet ambitions.

Viet-Nam. A really tough case in which the immediate problem is how to cut off a Communist supply line, and in which he knew there was intense and cooperative effort by the departments concerned.

Laos. A problem on which there might be serious disagreement. After careful weighing of the risks and an examination of the supply problem, where there was no seaport, we have decided to disengage -- to move toward a solution in terms of a neutral and independent Laos. We are continuing in this direction, and we hope that Governor Harriman, who is working on this problem, will be able to work out an effective solution.

Cuba. We hope that Castro can be effectively isolated at the coming meeting at Punta del Este, but we expect this to continue to be a very large problem on which further action might be necessary. The time has not yet come when we must force a solution to the Cuban problem.

Berlin. There had been no progress in the negotiation up to this point. If that situation persisted, the Soviets could be expected to proceed with a separate peace treaty and there might be a direct test of nerves in the Spring. At such a point the responsibility on the military would be increasingly great. We have to control the developing situation from Washington and a heavy responsibility would rest on the President, the Secretaries of

State and Defense, and the military commanders. 

The President then turned to the subject of relations with the press. He thought there were still too many stories appearing which should not have been given to reporters. We do better than others, and the President referred specifically to Bonn and Paris as the worst offenders. But we should improve our own security. We ought not to circulate important papers and cables in a casual way. We ought to be sure that matters on which there may be differences in the Government are not made public if we can avoid it. The President believed that there had been fewer inter-agency struggles and squabbles in this Administration than in any of which he was aware in recent times. He hoped that this good record could be maintained and improved.

Finally, in remarks that were actually given at the opening of the second part of the meeting, the President stated that there were still a number of problems on which study, recommendation and decision took too long. He noted in particular the case of policy toward Yugoslavia. Recommendations had been requested at an NSC meeting three months before, and the matter had come to him for decision only this week. Yet it was not that difficult, and the solution was a relatively simple compromise. The President instructed his own staff and the departments concerned to avoid such delays in the future.